

Case Title:

Civil Aeronautics Administration vs. Court of Appeals and Ernest E. Simke

Facts:

1. **Incident occurrence**: On December 13, 1968, Ernest E. Simke, Honorary Consul General of Israel in the Philippines, slipped and fell on the terrace at Manila International Airport (MIA), breaking his thigh bone.
 2. **Medical Response**: Simke was operated on the following day, December 14, 1968, for about three hours due to the injury.
 3. **Filing for Damages**: Simke subsequently filed a suit for damages based on quasi-delict in the Court of First Instance of Rizal, Branch VII against the Civil Aeronautics Administration (CAA), which was in charge of operating MIA.
 4. **Claims**: Simke's claims included actual medical and hospital expenses, consequential damages for business-related costs due to the accident, and additional costs related to the postponement of his daughter's wedding.
 5. **Trial Court Decision**: The lower court rendered a favorable decision for Simke, awarding him P15,589.55 in actual medical expenses, P20,200.00 in consequential damages, P30,000.00 in moral damages, P40,000.00 in exemplary damages, and P20,000.00 in attorney's fees.
 6. **Appeal and Reconsideration**: CAA appealed to the Court of Appeals, which affirmed the lower court's decision. CAA's motion for reconsideration before the Court of Appeals was denied.
 7. **Transfer to Supreme Court**: CAA filed a petition for review on certiorari before the Supreme Court, challenging the decisions of the Court of Appeals.
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Issues:

1. **State Immunity from Suit**: Whether the CAA, as a government agency, could be sued without the State's consent.

2. **Negligence and Liability**: Whether the CAA was negligent in maintaining the terrace and whether such negligence caused Simke's injuries.

3. **Award of Various Damages**: Whether the awards for actual, consequential, moral, and exemplary damages, and attorney's fees were justified and supported by evidence.

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Court's Decision:

1. **State Immunity from Suit**:

- **Ruling**: The Supreme Court affirmed the decision of the Court of Appeals, holding that the CAA does not enjoy immunity from suit. The CAA, similar to the National Airports Corporation in the Teodoro case, was found to be engaged in proprietary functions, thereby subjecting it to suit under Republic Act No. 776.

2. **Negligence and Liability**:

- **Ruling**: The Supreme Court upheld the Court of Appeals and trial court findings on the CAA's negligence. The terrace where the injury occurred was found to be poorly maintained, with dangerous architectural anomalies such as elevations and steps that constituted hazards. As per ocular inspections and testimonies, such defects indicated a failure of the CAA to exercise due diligence in maintaining the facility.

3. **Damages and Attorney's Fees**:

- **Ruling**: The Supreme Court endorsed the awards given by the lower courts:

- **Actual Damages**: P15,589.55 for medical and hospital expenses was validated as documented by medical testimony and bills.

- **Consequential Damages**: P20,200.00 for business-related expenses linked to Simke's incapacity and postponement of his daughter's wedding was acknowledged as adequately proven.

- **Moral Damages**: P30,000.00 was considered appropriate due to the physical injury and suffering endured by Simke.

- **Exemplary Damages**: P40,000.00 was deemed suitable to correct the gross negligence shown by the CAA.

- **Attorney's Fees**: The award of P20,000.00 was affirmed under Article 2208 of the Civil Code, valid particularly when exemplary damages are awarded.

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Doctrine:

1. **State Immunity Doctrine**: Government entities involved in private or proprietary functions do not enjoy immunity from suit.
2. **Quasi-Delict Liability**: Entities are liable for damages caused by their negligence or the dangerous condition of their premises if they fail to maintain reasonable safety.

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Class Notes:

- **State Immunity vs. Governmental/Proprietary Functions**:
 - Government entities performing *proprietary functions* are not immune from suit.
- **Quasi-Delict (Article 2176, Civil Code)**:
 - Liability arising from negligence causing damage to another requires standard care expected from a prudent person.
- **Actual Damages (Article 2199, Civil Code)**:
 - Compensation only for actual pecuniary loss duly proved.
- **Moral Damages (Article 2217, Civil Code)**:
 - Recoverable for physical injury, mental anguish, social humiliation, etc.
- **Exemplary Damages (Articles 2229, 2231, Civil Code)**:
 - Awarded to set an example and correct gross negligence.
- **Attorney's Fees (Article 2208, Civil Code)**:
 - Awarded under specific circumstances, including when exemplary damages are granted.

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Historical Background:

- During the 1960s, the Manila International Airport was under the management of the Civil Aeronautics Administration, which shifted to the Manila International Airport Authority post the enactment of Executive Orders in the early 1980s. This case illustrates the transition of airport management and liability from state-run bodies to specialized authorities, emphasizing the shift towards holding such entities accountable for quasi-delictual liabilities and public safety.